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DEPARTMENT FOR EAP/RSP/TC, EAP/PA, EAP/PD - ROBERT PALLADINO DEPARTMENT PASS AIT/WASHINGTON

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SUBJECT: SUMMARY OF PREMIER FRANK HSIEH'S OP-ED IN "TAIWAN DAILY" CONCERNING HIS POLITICAL THINKING

Summary: The pro-independence "Taiwan Daily" ran an almost one-page op-ed by Taiwan Premier Frank Hsieh entitled "From 'Co-existence and Cooperation' to 'Taiwan Consciousness': My Political Thinking" that said (2/2):

CO-EXISTENCE AND COOPERATION; THE PEOPLE'S VOICE

The ideals of "co-existence and cooperation" are to be implemented as the new administration takes office. "The new cabinet will be a `stability cabinet' that responds to people's expectations. `A stable political situation' is our priority goal. `Dialogue and negotiation' is our method for reaching that goal. And `co-existence and cooperation' is our central thinking."

Cooperation between political parties and co-existence between different ethnic groups is vital to stability. I have mentioned in several interviews and in an article published a few days ago the new thinking of a "non-zero-sum" game, which aims at resolving many problems that could not be solved by the "zero-sum" struggles of the past.

I believe that the evolution of civilization is a process of moving from "zero-sum" systems toward "non-zero-sum" systems. "Taiwan's experiences over the past four years have proved that the 'zero-sum' system cannot resolve Taiwan's political problems. Continuous internal struggle and confrontation only make Taiwan's civilized development go backwards. Everyone in Taiwan will be a loser. In order to deal with the internal and external challenges Taiwan is now facing, we must create a more refined and delicate `non-zero-sum' political system."

"This system will provide for negotiation and dialogue mechanisms at different levels. All political parties can maintain their basic propositions while seeking open agreements in areas that they can cooperate on with each other. Based on getting a consensus for policy priorities, a 'stability alliance' can be established in the Legislative Yuan and act as a stable majority. Furthermore, the sharing of administrative powers will also be an expected result."

ADMINISTRATIVE IDEALS; DIALOGUE WITH SOCIETY

Everybody has noticed that mainstream public opinion in Taiwan reacted positively to the proposal of a crossparty dialogue. This indicates that the majority of the public is tired of confrontations under "zero-sum" politics. Based on their collective wisdom, the people of Taiwan are calling for a new political system. My article and interviews have received many responses from academic circles, business circles, and the general public. This shows that my proposal of "co-existence and cooperation" is what the people want now.

"Of course, there will be criticism and doubt. Some are concerned whether entering a dialogue means one has to give up one's positions. Others worry that co-existence will result in losing one's self. Still others question whether the suggestion of instituting cross-party cooperation is anything more than lip service."

These reactions are all expected. I mentioned in my article that it would be hard to promote co-existence and cooperation in Taiwan society, which is in need of "trust." All the criticism and doubt are but signs indicating the lack of "trust."

What is the meaning of my political thinking? What impact will it bring about? These questions can be examined in the future with regard to what I will have done. But as I believe it is important for political figures to communicate with society, I would like to share some of my basic ideas, including what I am doing

right now, for further discussions.

REBUILD TRUST AND START FROM ONESELF

The basis for "coexistence and cooperation" is trust in society. In the "prisoner's dilemma," two prisoners will benefit from each other if there is trust between them. Without trust, there can be neither a "non zerosum" outcome nor "co-existence."

Trust is the most important asset of a society. It is the foundation for the development of the economy and culture. According to neo-institutionalism in economics, trust is an important mechanism for reducing transaction costs and stabilizes the environment for investment. In other words, ample trust is advantageous for the development of an economy. Leaders form the ruling party and the opposition parties are, thus, responsible for creating trust in society.

"Our society lacks trust, and the government, political parties, media and other departments are all responsible for that." The fact that no one is building trust in society means that any trust that exists is constantly eroded away.

Everyone should cherish the existing trust in society and restrain statements or behaviors that may destroy that trust.

"I would like to call upon the people to rebuild trust in society. I want to tell everybody that we are still willing to choose to believe in humanity as well as other people although betrayals take place in the world."

"Trust needs to be accumulated incrementally and it takes time to examine whether a political assertion or a political figure is trustworthy. Even though some people may choose a negative or a suspicious attitude, there should be a beginning to establish trust."

FORMED DYNAMICALLY - TAIWAN'S CONSCIOUSNESS OF ITSELF AS AN ENTITY

"Since 1987, I have been proposing the theory of Taiwan's Community Fate. The theory is supported by four priorities,' such as Taiwan first, the disadvantaged first, culture first, and environment first." These four are the priorities that should be considered when the government sets policies.

". There is not a clear, fixed, and static boundary for `Taiwan's Community Fate,' but the identity for members of the `Taiwan's Community Fate' is formed dynamically. It is a process, not a result. The formation of `Taiwan's Community Fate' cannot rely solely on a theory because there are always rival points of views, and there are always exceptions. The `Taiwan's Community Fate' is dynamically formed by practice, public events, and collective memories. The identification of `Taiwan's Community Fate' will be strengthened, not weakened, continuously through the future efforts of the Cabinet. `Negotiation and dialogue' and `co-existence and cooperation' are the most powerful mechanisms for consolidating `Taiwan's Community Fate.' Hence, any chance that Taiwan's consciousness of itself as an entity will disappear is not going to happen."

"The purpose to stress Taiwan's consciousness of itself as an entity is not to annihilate those who do not agree. Within a community of shared fate, there are a consciousness of an entity and tolerance. Since there is tolerance, then there is the so-called `Taiwan first' mentality. ... `Co-existence' means that other things may exist at the same time due to tolerance.

PRAGMATIC NEGOTIATION DOES NOT MEAN TO GIVE UP [ONE'S] IDEALS

Before I assumed the premiership, I published two articles to elaborate on my personal philosophy of life and my political ideas. Since I entered politics, I have always told myself to practice what I preach and act consistently, hoping that I could thus win the trust of other camps that have different political views from mine. "Cooperation between different political parties is a brand-new thing in Taiwan, so many people are worried. In a previous article that I wrote, I called upon all political leaders in both the ruling and opposition parties to bring their political imagination and moral courage into full play in order to make the first critical move [i.e. cooperation] for Taiwan's future in the long run. The `zero-sum'

confrontations between political parties in Taiwan must be resolved first before a new `non zero-sum,' `coexistence' situation could be created across the Taiwan Strait.

On the other hand, I want to tell our people that since the DPP government has failed to win a majority of the seats in the Legislative Yuan, it will be very difficult to get our bills or budgets passed. In order to promote our policies, cooperation among the political parties is a must, and as a result, pragmatic concessions become inevitable. "But I will not view pragmatism as an goal; it is just a way of doing things. As for concessions, it just means that [we need to] slow down or to detour [on our way to] realizing our goals; it is not to give up our goals."

BALANCED DEVELOPMENT; FROM SELF EXISTENCE TO CO-EXISTENCE

"To truly incorporate the concept of `co-existence' into the government's administration, I emphasize a balanced development of economic growth, social justice, and environmental humanism, and I want to start by improving Taiwan's public security."

Why do I want to put the improvement of Taiwan's social order as a top priority for the administration of my "stability cabinet?" It is still based on my "co-existence" theory. The promotion of cooperation among different parties and various ethnic groups are kinds of "co-existence" for groups, but without each individual's "self-existence," there is no "co-existence" of groups. Thus, before implementing the "co-existence" for various groups, we must first properly handle the problems concerning the "self-existence" of each individual. That is why public security, which involves the citizens' rights to be free of fear and to enjoy security regarding their lives and property, should be addressed first.

"To put it in a simple way, economic growth, social justice and environmental humanism should form a right triangle as their importance weighs equally with regard to the government's administrative performance." Inside this triangle, economic development is the first issue that should be dealt with because without economic growth, social justice and environmental humanism can hardly be maintained.

"Taiwan has a sound economic foundation, and the financial and economic policies of former Premier Yu Shyi-kun's cabinet have also been moving in the right direction, as evidenced by the recovery of Taiwan's economic growth rate and the reduced unemployment rate this year. With regard to our economic policy, what I want to do is to continually ease our policies and restore [economic] vitality, so that many economic activities that were restricted by the obsolete laws or regulations of the past can be conducted naturally. "

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